

**U.S. Department of Justice**

*United States Attorney  
Eastern District of Virginia*

---

*Main Street Centre  
600 E. Main Street  
Richmond, Virginia 23219-2447*

*804/819-5400  
Fax 804/771-2316*

For Immediate Release  
December 19, 2002

Contact: Susan Vick  
(804) 819-5471

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, and Donald W. Thompson, Jr., Special Agent in Charge of the Federal Bureau of Investigation, Richmond Field Division, announced the federal indictment yesterday of Lloyd A. Jones, age 48, of Mechanicsville, Virginia. Jones is charged with one count of receipt of a bribe. He faces a maximum penalty of 15 years imprisonment and a fine of up to \$250,000.

Jones served as the Presidentially appointed State Director of Virginia Rural Development, United States Department of Agriculture (USDA, RD) from March 1990 through June 2001. Among other things, USDA, RD made loans to providers of rental housing in rural areas to ensure adequate housing availability for low-income individuals and for those age 62 and older. USDA also subsidized the monthly rental payments of qualified low-income rural families who occupied the rental housing. The indictment alleges that almost immediately after taking office, Jones began accepting cash payments and other financial assistance from several developers doing business with USDA, RD and that he accepted more than \$60,000 from these developers. In return, Jones gave these developers favorable treatment at USDA. Specifically, the indictment alleges that on August 3, 1999, Jones received a bribe of \$32,000 from the president of M&R Associates, a development company from Fort Worth, Texas, in return for being influenced in the performance of an official act, that is, allowing M&R Associates to continue to do business with USDA, RD despite the recommendations of USDA, OIG.

Mr. McNulty stated: "This case involves an egregious violation of the public trust. Mr. Jones allegedly used his authority to serve his own greed rather than his fellow citizens. Those who have the privilege of serving in public office must discharge their duties with honesty and integrity."

The case was investigated by agents for FBI and is being prosecuted by Assistant United States Attorney Robert E. Trono.

###